



# Department of Commerce

Innovation is in our nature.

## FINAL APPLICATION GUIDELINES

### REVISED SEPTEMBER 1, 2009

## Energy Efficiency and Conservation Grants for Smaller Cities and Counties

**Issue Date:** September 1, 2009

**Information Webinar:** September 10, 2009, 9:00 – 11:00 a.m.

**Application Due Date:** September 30, 2009,  
Received by 5:00 PM, Pacific Time,  
Department of Commerce,  
Energy Policy Division

**PLEASE READ THIS ENTIRE DOCUMENT**

*This is an application for funds from the  
American Recovery and Reinvestment Act.* **RECOVERY.GOV**



# **Energy Efficiency and Conservation Block Grant - Formula**

## **Energy Efficiency and Conservation Grants for Smaller Cities and Counties Competitive Application Guidelines**

### **Purpose of Guidelines for Smaller Cities and Counties**

These guidelines are provided to help cities with less than 35,000 in population and counties with less than 200,000 in population to prepare their application for Energy Efficiency and Conservation Block Grant funds. These funds from the American Recovery and Reinvestment Act (Recovery Act) will be administered by the Department of Commerce<sup>1</sup> (“Department”).

### **Funding Overview**

The Energy Efficiency and Conservation Block Grant program (EECBG) was originally authorized in Title V, Subtitle E of the Energy Independence and Security Act of 2007 (EISA) and signed into Public Law (PL 110-140) on December 19, 2007. Over \$2.7 billion in formula grants are now available to U.S. states, territories, local governments, and Indian tribes under the Energy Efficiency and Conservation Block Grant (EECBG) Program, funded for the first time under the American Recovery and Reinvestment Act of 2009 to develop and implement projects to improve energy efficiency and reduce energy use and fossil fuel emissions in their communities.

### **Fund Purpose**

The purpose of the EECBG Program is to assist eligible entities in creating and implementing strategies to:

- Reduce fossil fuel emissions in a manner that is environmentally sustainable and, to the maximum extent practicable, maximizes benefits for local and regional communities;
- Reduce the total energy use of the eligible entities; and
- Improve energy efficiency in the building sector, the transportation sector, and other appropriate sectors.

***Recipients of block grant funds through Department of Commerce:*** The Department of Commerce Energy Policy Division will receive \$10.6 million in formula funds. The Department submitted its application for distribution of block grant funds to U.S. DOE on June 22, 2009. The Department is still awaiting approval by U.S. DOE of its application. These guidelines are subject to change pending approval by U.S. DOE.

---

<sup>1</sup> The Department of Community, Trade and Economic Development’s name changed to “Department of Commerce” effective July 26, 2009.

At least 60% (approximately \$6.4 million) of these funds must be passed through to cities less than 35,000 and counties less than 200,000 in population (See Attachment A). ***These guidelines apply only to the administration of the \$6.4 million in funds for the smaller cities and counties.***

The Department will use the remaining \$4.2 million of the \$10.6 million being received by the State for three purposes: 1) Provide local governments with planning assistance and resources for energy efficiency in transportation planning; 2) Expand Washington State University's Extension Energy current network of resource conservation managers (RCM) into more local governments; and 3) Fund administration of the EECBG programs. ***These guidelines are not applicable to the Energy Efficiency in Transportation Planning Grants or the Resource Conservation Manager Grants.*** Here is a [link](#) to a fact sheet on the Energy Efficiency in Transportation Planning Program. Here is a [link](#) to a fact sheet on the RCM program.

***Direct recipients of block grant funds from U.S. DOE:*** Block grants from U.S. DOE will be directly awarded to cities of at least 35,000 and counties at least 200,000 in population (See Attachment B), and to federally-recognized tribes. They were required to submit their application to U.S. DOE directly by June 25, 2009 to receive their funding. The deadline was extended to August 10, 2009 for late applications. These **direct recipients are not eligible to apply** to the Department for block grant formula funds for smaller cities and counties. However, they are encouraged to use the funds they will be receiving directly to partner with jurisdictions that are eligible to apply to the Department.

## **Application Submittal Overview for Energy Efficiency and Conservation Grants for Smaller Cities and Counties**

### **Funding Period**

Federal guidance requires that these funds be under contract with the Department not later than 180 days after the date on which the Secretary of U.S. DOE approves the State's application. Funds must be expended within thirty-six months of the date of award. To ensure the Department is able to close out all contracts by this deadline, contract funds awarded pursuant to this application must be expended by the cities and counties by April 30, 2012.

To assist the smaller cities and counties in meeting this very quick turn-around time:

- The application forms and questions are kept to a minimum. If funded, additional information will be collected prior to execution of a grant agreement.
- Staff are available to answer questions and discuss proposed activities.
- Preliminary application guidance was provided to eligible cities and counties on June 23, 2009.
- Application workshops were held throughout the state the week of July 13, 2009.

- Frequently Asked Questions and Answers are posted on the Department web site at *link*.
- A webinar will be held to review the guidelines, including any changes from the preliminary guidelines, and to answer questions.

### **Statewide Webinar**

A web based session to review these final guidelines and answer questions will be held on Thursday, September, 10, 2009, from 9:00 – 11:00. Please register for the webinar at [www.commerce.wa.gov/recovery](http://www.commerce.wa.gov/recovery). Please note that you will have to download an application to participate in the webinar - you may need to contact your IT staff to do this prior to the webinar. If you are unable to download the webinar application, you may still participate in the webinar by phone.

### **Amount of Funds Available**

The total amount of funding that will be available for the Energy Efficiency Grants for Smaller Cities and Counties will be \$6,387,540. Grants will be awarded through a competitive process. The maximum individual grant size is \$135,000 per jurisdiction. There is no minimum. If eligible jurisdictions choose to partner in their application, the maximum per partner is \$135,000. Applicants are encouraged to partner with other eligible jurisdictions, if appropriate to the activity.

An eligible applicant can submit only one application for EECBG funding, but may apply for multiple activities in the application. **Multiple applications by one jurisdiction will not be considered.**

### **Other Activity Funds (Leveraging)**

A match is not required. However, applications will be awarded points for leveraging the grant funds with other committed sources of funding. Funding must be committed at the time of application. Other sources of funds can come from the applicant and other partners, including other cities or counties, special purpose local governments, regional governments, state agencies, utilities, private for-profit and nonprofit organizations, etc.

Other funds include all project related expenditures from January 1, 2009 through April 30, 2012, including:

- Utility incentives
- Public borrowing or general funds
- Private borrowing
- Private equity
- Other federal and state funds
- Other ARRA funds, including State Energy Program funds

Applicants may not use other Energy Efficiency and Conservation Block Grant funds (Energy Efficiency in Transportation Planning Grants and Resource Conservation Manager Grants) for leveraging Energy Efficiency and Conservation Grant funds for smaller cities and counties.

Other programs that cities and counties should consider for leveraging include:

- The Washington State [Department of General Administration's program](#) for upgrading public facilities using energy savings performance contracting. To see a presentation on this program, go to the [Department of Commerce Energy Policy Division](#) web site.
- Local utility rebate programs. Contact your local utility or go to the [Database of State Incentives for Renewables & Efficiency for Washington State](#).

## How to Apply

**Due Date for Application = September 30, 2009!**

All applications must be received by the Department by September 30, 2009, at 5:00 p.m. PST. Applications can be delivered either:

- Electronically, with "EECBG application" in the subject line to: [energy\\_policy@commerce.wa.gov](mailto:energy_policy@commerce.wa.gov);
- Hand-delivered to the Department of Commerce Energy Policy Division, State Energy Program, at 906 Columbia St. SW, 5<sup>th</sup> Floor, Olympia, Washington; or
- Mailed to the State Energy Program at PO Box 43173, Olympia, Washington 98504-3173.

Please note: If an applicant is submitting their application electronically and does not have the ability to scan the letter of commitment with a signature, **ONLY** letters of commitment may be sent by FAX to (360) 586-0049. Do not fax the entire application.

The Department of Commerce has not yet received approval of its application from the U.S. Department of Energy. Commerce reserves the right to extend the application deadline if the U.S. Dept of Energy has not approved Washington State's application in a timely manner.

## Eligible Applicants

### Eligible Applicants for Energy Efficiency and Conservation Grants for Smaller Cities and Counties

Cities with fewer than 35,000 and counties with fewer than 200,000 in population (as determined by U.S. DOE), are eligible to apply. For a complete list of eligible applicants, see Attachment A. Smaller cities and counties applying for EECBG funds from the state are encouraged to use those funds or other resources to partner with other cities and counties, including cities and counties receiving EECBG funds directly.

## **Ineligible Applicants for Energy Efficiency and Conservation Grants for Smaller Cities and Counties**

Cities with at least 35,000 and counties with at least 200,000 in population (as determined by U.S. DOE), and tribes are **not** eligible to apply to the state for funds. They are receiving funds directly and must apply to U.S. DOE by August 10, 2009 (For a complete list of cities and counties eligible to receive funds directly and not eligible to apply for funds from the state, see Attachment B).

Private for-profit and nonprofit, other special purpose local governments, state agencies, utilities, and tribes are not eligible to apply for EECBG funds administered by the state. However, eligible cities and counties may subcontract with these entities consistent with the list of eligible activities and federal guidelines.

## **Eligible Activities**

A list of eligible activities for use of program funds is below. Additional activities may be eligible pending approval by the Department. The activities below are therefore not an exhaustive list and should be used as a guide to the intent of the program. However, all proposed activities must reduce total energy use consistent with the purpose of the program.

1. Development of an Energy Efficiency and Conservation Strategy: Entities may use a grant received under this part to develop and/or implement a strategy for energy efficiency and conservation and to carry out activities to achieve the purposes of the program.

2. Technical Consultant Services: Entities may retain technical consultant services to assist the eligible entity in the development of such a strategy, including formulation of energy efficiency, energy conservation, and energy usage goals; identification of strategies to achieve those goals through efforts to increase energy efficiency, reduce fossil fuel emissions or reduce energy consumption through investments or by encouraging behavioral changes. Entities may develop methods to measure progress in achieving the goals. Entities may develop and publish annual reports to the population served by the eligible entity describing the strategies and goals and the progress made in achieving them during the preceding calendar year.

3. Residential and Commercial Building Energy Audits: Entities may support the conduct of residential and commercial building energy audits.

4. Financial Incentive Programs: Entities may establish financial incentive programs and mechanisms for energy efficiency improvements such as energy saving performance contracting, on-bill financing, and revolving loan funds.

5. Energy Efficiency Retrofits: Grants may be made to nonprofit organizations and governmental agencies for the purpose of retrofitting existing facilities to improve energy efficiency.

6. Energy Efficiency and Conservation Programs for Buildings and Facilities: Entities may develop and implement energy efficiency and conservation programs for buildings and facilities within the jurisdiction of the entity. The range of activities includes the design and operation of the programs; the identification of the most effective methods for achieving maximum participation and efficiency rates; public education; measurement and verification protocols; and identification of energy efficient technologies.

7. Development and Implementation of Transportation Programs: Entities may develop and implement programs to conserve energy used in transportation, including but not limited to:

- A. Employee flex time programs;
- B. Promoting use of satellite work centers;
- C. Development and promotion of zoning guidelines or requirements that promote energy efficient development;
- D. Development of infrastructure such as bike lanes and pathways and pedestrian walkways;
- E. Synchronization of traffic signals;
- F. State/locals/regional integrated planning activities (i.e. transportation, housing, environmental, energy, land use) with the goal of reducing greenhouse gas emissions and vehicle miles traveled;
- G. Incentive programs to reduce commutes by single occupancy vehicles;
- H. Improvements in operational and system efficiency of the transportation system such as implementation of intelligent transportation system (ITS) strategies;
- I. Idle-reduction technologies and/or facilities to conserve energy, reduce harmful air pollutants, and greenhouse gas emissions from freight movement; and
- J. Installation of solar panels on interstate rights-of-way to conserve energy in highway operations and maintenance activities.

8. Building Codes and Inspections: Entities may develop and implement building codes and inspection services to promote building energy efficiency.

9. Energy Distribution: Entities may implement distributed energy resource technologies that significantly increase energy efficiency, including:

- A. District heating and cooling systems
- B. Combined heat and power systems
- C. Cogeneration systems
- D. Energy Storage systems
- E. Absorption chillers
- F. Desiccant humidifiers
- G. Micro turbines
- H. Ground source heat pumps

10. Material Conservation Programs: Entities may implement activities to increase participation and efficiency rates for material conservation programs, including source

reduction, recycling, and recycled content procurement programs that lead to increases in energy efficiency.

11. Reduction and Capture of Methane and Greenhouse Gases: Entities may use grant funds to purchase and implement technologies to reduce, capture, and, to the maximum extent practicable, use methane and other greenhouse gases generated by landfills or similar waste related sources, such as wastewater treatment plants, operations producing food waste, dairy farms and other animal operations.

12. Traffic Signals and Street Lighting: Entities may use grant funds to replace traffic signals, pedestrian signals, and street lighting with energy efficient lighting technologies, including light emitting diodes; and any other technology of equal or greater energy efficiency.

13. Renewable Energy Technologies on Government Buildings: Entities may use grant funds to develop, implement, and install on or in any government building of the eligible entity on-site renewable energy technology that generates electricity from renewable resources, including solar energy; wind energy; fuel cells; and biomass. A good renewable project will be on a building that is already highly energy efficient or the proposed activity includes efficiency improvements to the building.

14. Any Other Appropriate Activity: Entities may submit any other appropriate activity for approval consistent with an Energy Efficiency and Conservation Strategy. Cities and counties are encouraged to propose innovative programs or projects that create or retain jobs, save energy, reduce greenhouse gas emissions, and leverage other funding sources.

## **Limitations on Eligible Activities/Costs**

### Reimbursement of Costs

All payments will be made based on reimbursable costs consistent with the Office of Financial Management circular [A-87, Cost principles for state agencies and local governments](#).

### Management and Administrative Costs

Direct management and administrative costs are limited to those costs associated with the day-to-day administration of an eligible activity.

### Costs Incurred Prior to Award/Effective Date of Contract

Costs incurred by a city or county prior to the date of award will not be reimbursed. The date of award is the effective date of the contract.

### Revolving Loan Funds

The federal guidance states that cities and counties may not use more than twenty percent of grant funds or \$250,000, whichever is greater, for the establishment of revolving loan



funds. Consistent with the federal guidance, the entire \$135,000 may be used to establish a revolving fund because it is less than \$250,000.

#### Subgrants

Cities and counties may not use more than twenty percent of grant funds for the provision of sub-grants to non-governmental organizations for the purpose of assisting in the implementation of the energy efficiency and conservation strategy of the eligible unit of local government. The limit only applies to sub-grants that an eligible entity may establish for the establishing, monitoring and overseeing of the EECBG activities. For example, if city or county chooses to hire a non-governmental organization to implement its energy efficiency and conservation strategy, only twenty percent of the funds may be used by the non-governmental organization for implementation. The remainder of the funds must be used for eligible activities such as building retrofits.

### **Ineligible Activities**

#### Prohibited Activities under the Recovery Act

The Recovery Act prohibits the use of funds for swimming pools, gambling establishments, aquariums, zoos, and golf courses. No funds can be used for any activity whatsoever at a prohibited establishment. Any activities at facilities that are adjacent to any of the prohibited establishments and benefit any of the prohibited establishments are also prohibited.

#### Land Acquisitions

Acquisitions of land are not an eligible activity.

#### Supplanting of Funds

Grantees must use federal Recovery Act funds to supplement existing state and local funds for program activities, and must not replace (supplant) state or local funds that they have appropriated or allocated for the same purpose.

#### Low-Income Weatherization

Use of funds for low-income weatherization is not allowed because there is a separate fund under the Recovery Act for those activities.

#### Other Federally Prohibited Activities

Any other activities prohibited by federal law.

# **Application Evaluation Process**

## **Threshold Eligibility Review**

All applications will be reviewed for eligibility. Eligibility is based on whether the:

- Application is complete. A complete application consists of the five items listed below under *Application Details/Instructions for Application Form*, including a letter of commitment signed by the responsible official.
- Applicant is eligible.
- Activity or activities are eligible (proposed projects or programs).
- Activities can be completed and funds expended by April 30, 2012. (*Note: Applicants need to consider whether they will be able to meet the deadline if review under the National Environmental Policy Act (NEPA) is required. Activities 4, 5, 7D, 11, 13 and 14 listed above require completion of an environmental questionnaire under NEPA.*)

If the Department determines that an application or proposed activities are ineligible, they will be removed from further consideration and the applicant will be notified. An application that includes several activities, some of which are determined ineligible, will be considered after the ineligible activities are removed. The application will be evaluated based on the remaining eligible activities.

## **Technical Evaluation (Scoring and Ranking)**

After the eligibility screening, eligible applications will be forwarded to an evaluation team. The evaluation team will score and rank the applications using the scoring system described below in the application details. Applications will be scored based upon the entire application and not on individual activities.

Available funding will be allocated based on scoring and geographical balance. All applicants will be notified as to whether they will receive a grant or not.

If funded applications are withdrawn or eliminated, non-funded applications may move up into funding range. There is no guarantee that an applicant will receive funding.

## **Application Details/Instructions for Application Form**

Applications will be limited to 15 pages, excluding letters of commitment. The following items constitute a complete application:

1. Applicant Information
2. Evaluation Questions
3. Activity Plan
4. Budget
5. Letter of Commitment

Each of the application items is discussed in detail below. The application form is provided in Word at:

<http://www.commerce.wa.gov/Portals/CTED/Documents/EECBG%20Application%20Form%20for%20Smaller%20Cities%20and%20Counties%209-1-09.doc>

1. Applicant Information

Fill out applicant organizational contact information.

2. Evaluation Questions

Evaluation questions for each activity:

- a. What other funds will you be using for the activity? Include any committed funds from the applicant and other partners, including other cities or counties, special purpose local governments, regional governments, state agencies, utilities, private for-profit and nonprofit organizations, etc. Committed funds do not include a commitment to apply for funds in the future, nor do they include a pending application for funds.

Other funds include all project related expenditures from January 1, 2009 through April 30, 2012, including:

- Utility incentives
- Public borrowing or general funds
- Private borrowing
- Private equity
- Other federal and state funds
- Other ARRA funds, including State Energy Program funds

Applicants may not use other Energy Efficiency and Conservation Block Grant funds (Energy Efficiency in Transportation Planning Grants and Resource Conservation Manager Grants) for leveraging Energy Efficiency and Conservation Grant funds for smaller cities and counties.

- b. How many jobs will be created or retained by the activity? This will be based on the total amount of funds for the activity, including funds from other sources. Please use the EECBG Estimated Expected Benefits Calculator provided by the U.S. Department of Energy for Washington State on the EECBG Solution Center web site at <http://www.eecbg.energy.gov/solutioncenter/applicationresources/default.html>.<sup>2</sup>
- c. How much energy will be saved, or be generated by renewable energy sources under Activity #13, by the activity? Applications will be scored on a cost to energy saved

---

<sup>2</sup> Please note that applicants do not have to fill out an activity worksheet per the instructions for the calculator. The calculator was developed for use by direct recipients in their applications to U.S. DOE.

ratio. Please use the EECBG Estimated Expected Benefits Calculator provided by the U.S. Department of Energy for Washington State on the EECBG Solution Center web site at

<http://www.eecbg.energy.gov/solutioncenter/applicationresources/default.html>.<sup>3</sup>

- d. Briefly describe your current state of preparation to begin activity tasks. This may include a summary of the milestones/critical steps and deadlines outlined in the activity plan.
- e. Describe how benefits such as jobs created or retained, energy saved, and greenhouse gas emissions reduced will persist beyond 2012 (the EECBG funding period). For how long and how much of these benefits will persist?

### 3. Activity Plan

Applicants must submit a plan with milestones/critical steps and deadlines for each activity that will demonstrate that the funds will be expended and project or program goals achieved within the timeframe indicated in the application. This plan will feature different components depending upon the activity or activities proposed in the application. At a minimum, the plan will include the following milestones/critical steps:

- Tasks and deadlines to demonstrate that the applicant will meet application and federal deadlines;
- Evidence that any required design engineering is complete, or a schedule for completion;
- Evidence that any required permits are in place and environmental review is complete, or a schedule for completion. *(Note: Applicants need to consider whether they will be able to meet the deadline if review under the National Environmental Policy Act (NEPA) is required. Activities 4, 5, 7D, 11, 13 and 14 listed above require completion of an environmental questionnaire under NEPA.)*

The plan may include optional information appropriate to demonstrate the applicant's ability to meet expenditure deadlines. For example, references and citations to capital facilities plans, transportation improvement plans, comprehensive land use plans, or other plans that include the activity.

### 4. Budget

Applicants must include a plan for EECBG funds/budget. A separate budget is not required for each activity, but may be broken out by activity. The budget will include evidence of any applicant funds or funding from public or private partners – for example, receipt of other funding, letter of credit, letter obligating funding, etc.

### 5. Letter of commitment

---

<sup>3</sup> Please note that applicants do not have to fill out an activity worksheet per the instructions for the calculator. The calculator was developed for use by direct recipients in their applications to U.S. DOE.

Applicants must include with their application a letter of commitment from the mayor, city manager, county executive, chair of the county commission, or county administrator indicating support for the work to be done as funded by the grant. If this is a joint application, a letter will be needed from each jurisdiction involved in the grant or a single letter signed by all jurisdictions.

The letter of commitment should include a statement indicating that the applicant jurisdiction or jurisdictions understand EECBG funding contract requirements. Letters must be signed by the responsible official(s) – typed signatures will not be accepted.

### **Evaluation Criteria and Scoring**

Evaluation criteria and scoring will be based on the following maximum point totals:

- Other activity funds (leveraging) – 10 points
- Jobs created or retained – 10 points
- Energy Savings/Renewable Generation – 25 points
- Activity Plan – 30 points
- Persistence of benefits beyond 2012 – 15 points
- Partnerships with other cities or counties - 10 points

### **Contracting with the Department of Commerce**

Upon selection of contract awards, Energy Policy staff will work with each successful applicant to prepare an EECBG funding contract. For a copy of the current version of the contract template, please go to <http://www.cted.wa.gov>. PLEASE NOTE THAT THIS CONTRACT TEMPLATE IS SUBJECT TO CHANGE PENDING FURTHER GUIDANCE FROM THE FEDERAL GOVERNMENT. The most current version of the contract will be used at the time of contract negotiations.

To begin development of the contract, Energy Policy staff will send the funding recipients a scope of work based on their original application. Funding recipients must return the final scope of work to the Department within 14 calendar days of the postmark date. The Department will then send the funding recipient their contract. The funding recipient must sign the contract and return it within 14 calendar days of the postmark.

### **EECBG Contract Requirements**

#### Staff Training

Upon notification of award, funding recipient staff that will be managing the contract will be required to attend training regarding contract requirements, including but not limited to the requirements specific to the Recovery Act. Training will be provided the Department through statewide workshops and webinars or video-conferencing.

#### Buy American – Use of American Iron, Steel, and Manufactured Goods

None of the funds appropriated or otherwise made available by the Recovery Act may be used for a project for the construction, alteration, maintenance, or repair of a public

building or public work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States.

#### Davis-Bacon Act Wage Rate Requirements

All laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to the Recovery Act, shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code (Davis-Bacon Act).

The work performed under contract may also be subject to the State's prevailing wage laws, Chapter 39.12 RCW. Applicants are advised to consult with the Washington State Department of Labor and Industries to determine the prevailing wages that must be paid. For more information, go to Washington Department of Labor and Industries at <http://www.lni.wa.gov/TradesLicensing/PrevWage/WageRates/LookUp/default.asp>.

#### Reporting

Accountability and Transparency – Not later than 10 days after the end of each calendar quarter, each recipient that received recovery funds from the Department shall submit a report to the Department that contains, but is not limited to a detailed list of all projects or activities for which recovery funds were expended or obligated, including:

- (a) The name of the project or activity;
- (b) A description of the project or activity;
- (c) An evaluation of the completion status of the project or activity;
- (d) An estimate of the number of jobs created and the number of jobs retained by engaging in the activity;
- (e) The amount of energy saved;
- (f) The amount of renewable energy generated;
- (g) The amount of greenhouse gases reduced;
- (h) The amount of funds leveraged; and
- (i) Key metrics that will vary by project type per U.S. DOE guidance.

Prior to contracting, successful applicants must demonstrate that they have the necessary data, accounting, and management systems in place to meet these requirements under the Recovery Act.

#### Environmental, Historic Preservation, and Cultural Review

Because Recovery Act funds are federal, all funding recipients must meet federal environmental review requirements under the National Environmental Policy Act (NEPA) and cultural resource review requirements under Section 106 of the National Historic Preservation Act (Section 106). For more information regarding NEPA see the Department of Energy (DOE) NEPA website: <http://www.gc.energy.gov/NEPA/>. For more information regarding Section 106 see the WA Department of Archaeology and

Historic Preservation (DAHP) website:

<http://www.dahp.wa.gov/pages/EnvironmentalReview/EnvironmentalReviewOverview.htm>.

Under NEPA, funding recipients have broad responsibilities to consider the impacts of their activities on the environment, including historic and cultural resources. To some extent, NEPA addresses the same concerns as Section 106, for instance regarding identification of irreversible effects. However, Section 106 is a separate authority from NEPA and is not satisfied simply by complying with NEPA. It is perfectly reasonable for agencies to coordinate studies done and documents prepared under Section 106 with those done under NEPA. Note: a project that is categorically excluded from NEPA is still required to meet other federal funding requirements, including Section 106.

Upon contract awards, Department of Commerce staff will work with awardees to develop project descriptions and prepare NEPA documentation for submittal to DOE for review. Commerce will also coordinate with DAHP regarding cultural resource review under Section 106. Contracts will include provisions for moving forward on projects or programs pending DOE and DAHP review.

#### Activities That Are Categorical Exclusions from NEPA

Activities 1, 2, 3, 6, 7A, 7B, 7C, 7F, 8, 9, 10, and 12 listed on pages 6 - 8 have been determined by DOE to be categorically excluded from NEPA. However, these activities are not automatically excluded from Section 106. Projects need to be evaluated per Section 106 guidelines to determine if a cultural review or addition action is required.

#### Activities That Require Additional NEPA Evaluation

Activities 4, 5, 7D, 11, 13, or 14 listed on pages 6 - 8 will need additional evaluation by DOE to determine the appropriate level of NEPA review. These activities may require preparation of a more detailed analysis of environmental impacts such as an Environmental Assessment (EA) or Environmental Impact Statement (EIS). In this event, it is recommended that the NEPA process be coordinated with Section 106 to meet the requirements of both regulations. However, even if DOE determines no additional NEPA work is required; projects still need to be evaluated per Section 106 guidelines to determine if any addition action is required.

Please see more detailed information regarding types of projects likely to be categorically excluded from NEPA in Attachment C by DOE upon review. Please note that although retrofits will require submittal of an environmental questionnaire to DOE, some projects will be categorically excluded from NEPA per Attachment C.

Applicants should be aware that a NEPA process involving an EA or EIS could delay the award process; applicants may be restricted to use of funds for planning purposes until the NEPA process is complete.

NOTE: The State Environmental Policy Act (SEPA) is a separate process required in the state of Washington and does not necessarily ensure compliance with either NEPA or Section 106. However, in many circumstances, analysis required under one process may be coordinated to meet the requirements of the other processes.

It is the applicant's responsibility to comply with all applicable local, state, and federal requirements. The Department of Commerce has partnered with the Governor's Office of Regulatory Assistance (ORA) to help recipients with permit information. For additional assistance, contact ORA at [www.ora.wa.gov](http://www.ora.wa.gov) or 1-800-917-0043.

## **Agency Contacts and More Information**

### Agency contacts:

Heather Ballash, Energy Policy Specialist, Commerce Energy Policy Division –  
[Heather.Ballash@commerce.wa.gov](mailto:Heather.Ballash@commerce.wa.gov) or (360) 725-3044

Department of Commerce Energy Policy Division at [energy\\_policy@commerce.wa.gov](mailto:energy_policy@commerce.wa.gov)  
or (360) 725-3118.

### More Information:

[Questions and Answers regarding Energy Efficiency and Conservation Grants for Smaller Cities and Counties](#)

[Federal Guidance for the Energy Efficiency and Conservation Block Grants – Formula Grants \(Funding Opportunity Announcement\)](#)



## **Attachment A**

### **Eligible Cities and Counties**

#### **Eligible Cities**

Aberdeen	Cathlamet	Eatonville
Airway Heights	Centralia	Edgewood
Albion	Chehalis	Electric City
Algona	Chelan	Ellensburg
Almira	Cheney	Elma
Anacortes	Chewelah	Elmer City
Arlington	Clarkston	Endicott
Asotin	Cle Elum	Entiat
Bainbridge Island	Clyde Hill	Enumclaw
Battle Ground	Colfax	Ephrata
Beaux Arts Village	College Place	Everson
Benton City	Colton	Fairfield
Bingen	Colville	Farmington
Black Diamond	Conconully	Ferndale
Blaine	Concrete	Fife
Bonney Lake	Connell	Fircrest
Bothell	Cosmopolis	Forks
Bremerton	Coulee City	Friday Harbor
Brewster	Coulee Dam	Garfield
Bridgeport	Coupeville	George
Brier	Covington	Gig Harbor
Buckley	Creston	Gold Bar
Bucoda	Cusick	Goldendale
Burien	Darrington	Grand Coulee
Burlington	Davenport	Grandview
Camas	Dayton	Granger
Carbonado	Deer Park	Granite Falls
Carnation	Des Moines	Hamilton
Cashmere	DuPont	Harrah
Castle Rock	Duvall	Harrington
	East Wenatchee	Hartline

### **Eligible Cities (cont.)**

Hatton	Mansfield	North Bend
Hoquiam	Maple Valley	North Bonneville
Hunts Point	Marcus	Northport
Ilwaco	Marysville	Oak Harbor
Index	Mattawa	Oakesdale
Ione	McCleary	Oakville
Issaquah	Medical Lake	Ocean Shores
Kahlotus	Medina	Odessa
Kalama	Mercer Island	Okanogan
Kelso	Mesa	Omak
Kenmore	Metaline	Oroville
Kettle Falls	Metaline Falls	Orting
Kittitas	Mill Creek	Othello
Krupp	Millwood	Pacific
La	Milton	Palouse
Center	Monroe	Pateros
La Conner	Montesano	Pe Ell
LaCrosse	Morton	Pomeroy
Lake Forest Park	Moses Lake	Port Angeles
Lake Stevens	Mossyrock	Port Orchard
Lamont	Mount Vernon	Port Townsend
Langley	Mountlake	Poulsbo
Latah	Terrace	Prescott
Leavenworth	Moxee	Prosser
Liberty Lake	Mukilteo	Pullman
Lind	Naches	Quincy
Long Beach	Napavine	Rainier
Lyman	Nespelem	Raymond
Lynden	Newcastle	Reardan
Lynnwood	Newport	Republic
Mabton	Nooksack	Ridgefield
Malden	Normandy Park	Ritzville

### **Eligible Cities (cont.)**

Ritzville	Sunnyside	Woodland
Riverside	Tekoa	Woodway
Rock Island	Tenino	Yacolt
Rockford	Tieton	Yarrow Point
Rosalia	Toledo	Yelm
Roslyn	Tonasket	Zillah
Roy	Toppenish	
Royal City	Tukwila	
Ruston	Tumwater	
SeaTac	Twisp	
Sedro-Woolley	Union Gap	
Selah	Uniontown	
Sequim	University Place	
Shelton	Vader	
Skykomish	Waitsburg	
Snohomish	Walla Walla	
Snoqualmie	Wapato	
Soap Lake	Warden	
South Bend	Washougal	
South Cle Elum	Washtucna	
South Prairie	Waterville	
Spangle	Waverly	
Sprague	Wenatchee	
Springdale	West Richland	
St John	Westport	
Stanwood	White Salmon	
Starbuck	Wilbur	
Steilacoom	Wilkeson	
Stevenson	Wilson Creek	
Sultan	Winlock	
Sumas	Winthrop	
Sumner	Woodinville	

## **Eligible Counties**

Adams  
Asotin  
Benton  
Chelan  
Clallam  
Columbia  
Cowlitz  
Douglas  
Ferry  
Franklin  
Garfield  
Grant  
Grays Harbor  
Island  
Jefferson

Kittitas  
Klickitat  
Lewis  
Lincoln  
Mason  
Okanogan  
Pacific  
Pend Oreille  
San Juan  
Skamania  
Stevens  
Wahkiakum  
Walla Walla  
Whitman

## **Attachment B**

### **Ineligible Cities and Counties**

#### **Ineligible Cities**

Auburn	Pasco
Bellevue	Puyallup
Bellingham	Redmond
Edmonds	Renton
Everett	Richland
Federal Way	Sammamish
Kennewick	Seattle
Kent	Shoreline
Kirkland	Spokane
Lacey	Spokane Valley C
Lakewood	Tacoma
Longview	Vancouver
Olympia	Yakima

#### **Ineligible Counties**

Clark  
King  
Kitsap  
Pierce  
Skagit  
Snohomish  
Spokane  
Thurston  
Whatcom  
Yakima

## **Attachment C**

### **Guidance on National Environmental Policy Act**

All projects receiving American Recovery and Reinvestment Act of 2009 (Recovery Act) money from the US Department of Energy (DOE) through the Energy Efficiency and Conservation Block Grant (EECBG) funding of Washington State Department of Commerce (Commerce) must be reviewed under the National Environmental Policy Act (NEPA).

There are, however, many projects and activities that can be funded by the EECBG that can be excluded from NEPA through what is called a Categorical Exclusion (CE or sometimes CX). *Categorical Exclusion* means a category of actions for which neither an Environmental Assessment (EA) nor an Environmental Impact Statement (EIS) is normally required.

A final determination must be made by the DOE NEPA Compliance Officer, however, activities that fall within the following categories can often be categorically excluded:

1. Building retrofits, energy education outreach, solar outdoor lighting, and photovoltaic emergency back-up power (on existing structures or within existing facilities)
2. Retrofits of existing industrial buildings and facilities such as energy efficient lighting controls/sensors, chillers, furnaces, boilers, heat recovery
3. Development and implementation of an energy efficiency strategy.
4. Retaining technical consultant services to assist the eligible entity in the development of such
5. Residential and commercial building energy audits
6. Development and implementation of energy efficiency programs for buildings and facilities
7. Development and implementation of programs to conserve energy used in transportation, including:
  - a. Use of flex time by employers
  - b. Satellite work center
  - c. Development and promotion of zoning guidelines or requirements that promote energy efficient development
  - d. Synchronization of traffic signals
  - e. Other measure that increase energy efficiency and decrease energy consumption
8. Development and implementation of building codes and inspections to promote building energy efficiency
9. Replacement of traffic signals and street lighting with energy efficient light technologies including
  - a. Light emitting diodes
  - b. Any other technology of equal or greater energy efficiency.

Below are selected excerpts from: 10 CFR Part 1021 Department of Energy National Environmental Policy Act Implementing Procedures\*:

**From §1021.410 Application of categorical exclusions (classes of actions that normally do not require EAs or EISs) See all of PART 1021\*.**

The actions listed in appendices A and B to this subpart D are classes of actions that DOE has determined do not individually or cumulatively have a significant effect on the human environment(categorical exclusions).

**From Appendix A to Subpart D of Part 1021 -- Categorical Exclusions Applicable to General Agency Actions** (below are three examples. See the full listing in PART 1021\*)

A1. Routine actions necessary to support the normal conduct of agency business, such as administrative, financial, and personnel actions.

A9. Information gathering (including, but not limited to, literature surveys, inventories, audits), data analysis (including computer modeling), document preparation (such as conceptual design or feasibility studies, analytical energy supply and demand studies), and dissemination (including, but not limited to, document mailings, publication, and distribution; and classroom training and informational programs), but not including site characterization or environmental monitoring.

A11. Technical advice and planning assistance to international, national, state, and local organizations.

**From Appendix B to Subpart D of Part 1021 -- Categorical Exclusions Applicable to Specific Agency Actions** (below is one example. See the full listing in PART 1021\*)

B5.1 Actions to conserve energy, demonstrate potential energy conservation, and promote energy-efficiency that do not increase the indoor concentrations of potentially harmful substances. These actions may involve financial and technical assistance to individuals (such as builders, owners, consultants, designers), organizations (such as utilities), and state and local governments. Covered actions include, but are not limited to: programmed lowering of thermostat settings, placement of timers on hot water heaters, installation of solar hot water systems, installation of efficient lighting, improvements in generator efficiency and appliance efficiency ratings, development of energy-efficient manufacturing or industrial practices, and small-scale conservation and renewable energy research and development and pilot projects. The actions could involve building renovations or new structures in commercial, residential, agricultural, or industrial sectors. These actions do not include rulemakings, standard-settings, or proposed DOE legislation.

\*PART 1021 – NATIONAL ENVIRONMENTAL POLICY ACT IMPLEMENTING PROCEDURES @ [http://ceq.hss.doe.gov/nepa/regs/nepa1021\\_rev.pdf](http://ceq.hss.doe.gov/nepa/regs/nepa1021_rev.pdf)